

# PETE SESSIONS

U.S. CONGRESSMAN  
32nd District of Texas



BUDGET  
May 2011

Contact: Robert Cousins  
202.225.2231 or robert.cousins@mail.house.gov

## Current State of the American Economy

Over the past 3 years, America has witnessed a **multi-trillion dollar spending binge** by a Democrat-controlled Congress and White House through a fiscal policy of **more spending, more taxing, and more borrowing**. Their fiscal agenda represented not only record levels of wasteful spending, but most importantly the **largest tax increase in American history**. By forcing American families to pay for this reckless spending, Democrats lost touch with the needs of ordinary, hard-working Americans who are still struggling in these trying economic times. The facts show that their fiscal agenda is nothing but generational theft, frontloading our children and grandchildren with impossible levels of debt.

### **Jobs Update:**

- *Texas in April:* unemployment at 8.0%<sup>1</sup>
- *North Texas in February:* unemployment at 7.7%<sup>2</sup>
- *Nation in April:* unemployment at 9.0%<sup>3</sup>

- **Federal Deficit:** amount spent by Congress exceeding annual revenue<sup>4</sup>
  - Current FY 2011 Deficit (October 1, 2010 – April 30, 2011): \$870 billion<sup>5</sup>
  - Deficit Accumulation
    - FY2007: \$160.7 billion
    - FY 2008: \$459 billion, a record U.S. deficit through 2008
    - FY 2009: \$1.4 trillion, over three times larger than the last year's record deficit
    - FY 2010: \$1.3 trillion
    - FY 2011: \$1.65 trillion
- **Public Debt:** amount owed by the US government
  - Debt in April: \$ 14.308 trillion<sup>6</sup>
- **The President's Budget**<sup>7</sup>
  - By 2021 the debt is estimated to reach \$26.4 trillion
    - An increase of 86% - \$12.2 trillion
  - The amount of new debt proposed by President Obama's budget, released on February 14, 2011, is greater than the total amount of debt accumulated by the federal government from 1789 until January 20, 2009.
  - The President's Budget represents a 28% spending increase since 2008.
  - Calls for a \$1.6 trillion tax increase
    - Including \$919 billion income tax increase
    - The tax burden will increase from 14.4% of GDP in 2011 to 20.0% of GDP in 2021.

<sup>1</sup> Texas Workforce Commission

<sup>2</sup> Texas Workforce Commission

<sup>3</sup> Bureau of Labor Statistics

<sup>4</sup> Department of Treasury (Financial Management Service)

<sup>5</sup> Department of Treasury (Financial Management Service)

<sup>6</sup> Department of Treasury (Bureau of the Public Debt)

<sup>7</sup> Republican Study Committee

### **A new Republican Budget – the Path to Prosperity:**

Budget Committee Chairman Paul Ryan (R-WI) has released the “**Path to Prosperity**”, a federal budget that reduces the debt, eliminates our massive deficits and puts Americans back to work. This budget **eliminates \$6.6 trillion** in spending over the next ten years and **reduces the deficit by \$4.4 trillion** when compared to President Obama’s budget. Furthermore, it provides much needed tax relief for American families by eliminating the \$800 billion worth of taxes in Obamacare and prevents the \$1.6 trillion tax increase proposed by the President.

Recent estimates indicate that the **Path to Prosperity** will create nearly 1 million private sector jobs next year alone, and add over \$1.5 trillion dollars in GDP over the next ten. This will result in \$1.1 trillion in higher wages for American workers and an average of \$1000 in extra income for American families.

Additionally, the **Path to Prosperity** tackles the massive entitlement spending. It ends an onerous, one-size-fits-all approach to healthcare by converting the federal share of Medicaid spending into a block grant that gives states the flexibility to tailor their Medicaid programs to the specific needs of their residents; and makes changes to Medicare, enabling our seniors to have more flexibility in their healthcare options. ***This budget does not eliminate Medicaid or Medicare and ensures that anyone over 55 will see no change in their benefits.***

### **The Sessions Solution:**

Unlike the Democrat’s fiscal agenda of *more spending, more taxing, and more borrowing*, I believe that a truly pro-growth fiscal agenda to address the serious issues facing American families and our economy should **curb spending, cut taxes to create jobs, and control our debt**. These pro-growth solutions will **provide immediate financial relief for American families, allow businesses to reinvest in their companies, help bolster the housing market, and eliminate unfair tax burdens.**

- **Immediate Tax Relief for Working Families**

- I have cosponsored the FAST Act (H.R. 99)
- Reduce the lowest individual tax rates from 15% to 10% and from 10% to 5%.
  - As a result, every taxpaying-family in America would see an average benefit of \$500 in tax relief for the 10% bracket and \$1,200 for the 15% bracket.

- **Help for America’s Small Businesses**

- Tax Reform
  - I have introduced legislation (H.R. 934) to create a flat Corporate Income Tax of 18% which will immediately allow companies to expand their business, employ more Americans, and inject certainty into the marketplace.
- Allow businesses more freedom
  - I have introduced my own legislation – *H.R. 158, the EXPENSE (Expensing Property Expands our Nation’s Strong Economy) Act of 2011*. This bill allows companies to choose the asset depreciation schedule that best suits their individual business and creates incentives for American enterprises to reinvest in their businesses, new equipment, and people to run that equipment.

- **Job Creation**

- Repealing unnecessary government regulations
  - Earlier this year, Congress passed a bill I authored, H.Res. 72, which directs standing House committees to perform Congressional oversight of the 43 new regulations enacted last year as well as any regulations that negatively impact jobs and the economy. I believe that through appropriate examination we will be able to reduce government regulation, unleash the free enterprise system from over burdensome regulations, and immediately create American jobs.